NFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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SUBJECT	1. 2. 3.	Rationing Free Market Act Construction Ac	tivities ctivities	ı	DATE DISTR.	13 June 1955	25 X 1			
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- There is a shortage of clothing and only items made of cotton fabric, hich is highly priced and of poor quality, are avail able on a rationed basis. Most of the cotton cloth is manufactured in the Stalin Textile Combine in Tirana.
- 2. It was rumored that prices of rationed goods would be decreased and that certain items would be removed from the rationed list. This was one of the stated objectives of the 5 Year Plan. Actually there has been little change in the rationing program.
- 3. Non-rationed food is, as a general rule, rather difficult to obtain. In the summer months, however, vegetables and fresh fruits are readily available to the consumer. Laborers in work enterprises fare somewhat better than peasants because the latter are not eligible for food ration cards. Non-land-owning peasants, however, are allowed some government assistance which amounts to receiving 6 to 7 kgs of maize per month. Peasants who own any amount of land are not eligible for this assistance. Despite the scarcity of food, laborers are able to obtain rationed food at their place of work at reasonable prices. This is possible because some work enterprises have sufficient funds to purchase food from cooperatives and independent farmers for distribution among their workers. In some instances, work enterprises have their own food-producing farms.

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- 4. In 1954 a new economic policy was announced to increase the production of consumer goods and to allow the operation of a limited number of privately owned shops. As a result of this change, a limited free market has been allowed to operate with no controls placed on prices of goods sold in private shops. Goods sold in these shops are received from the following sources:
 - a. Independent farmers who produce a small surplus.
 - b. People who are willing to re-sell goods purchased with ration cards at government operated shops. Thus, rationed goods bought at controlled prices in government shops are purchased by private shops and re-sold rationfree at a higher free market price.
 - c. People receiving dollar remittances from friends and relatives in the United States and who exchange their dollars for Monedha Valute, purchase goods in special government shops which honor Monedha Valute and re-sell these goods to private shops at free market prices at a profit.
- 5. Every Thursday is market day in Tirana. People, mostly peasants, gather in the market place and sell almost any personal possession for whatever price they can get. These transactions are conducted in the open and are not controlled or otherwise discouraged by the government authorities.
- 6. In early 1953 construction work was started on a housing project for members of the Communist Party and government workers. Several six to seven story buildings were under construction in Tirana where the old sports stadium was once located. Prisoners were seen working on one of the buildings located on Rruga e Ministrive, Tirana.
- 7. Young volunteers who work on the Youth Holiday Brigades are now paid a regular wage. Prior to 1952 members of these Brigades volunteered without pay and received only their meals as compensation for their work. These young workers are hired during the summer months. Some Youth Brigades are still working on the Mati hydro-electric centers. Projects of this kind are under the control of the Ministry of Construction; and, although there appeared to be no construction machinery used on the projects, operations are probably proceeding satisfactorily because the Ministry was not subjected to any unfavorable critiques in the press.

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